

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1885 – SB 2562

February 27, 2022

SUMMARY OF BILL: Exempts owners or operators of vehicles with specified military or memorial license plates from airport parking fees charged by an authority other than a branch of the federal government.

FISCAL IMPACT:

Decrease Local Revenue - \$153,200/FY22-23 and Subsequent Years

Increase Local Expenditures - \$873,600/FY22-23 and Subsequent Years*

Assumptions:

- Pursuant to Tenn. Code Ann. § 42-4-102(b), property and revenues of an airport authority, and any interest therein, are exempt from all state, county, and municipal taxation; therefore, there will be no significant decrease in state revenue.
- The airports affected by this legislation are, in general, quasigovernmental entities.
- This legislation will result in a decrease in parking fee revenue to airports statewide. This decrease will equate to a decrease in local revenue.
- Based on information from the Department of Revenue, there are currently 3,106 vehicles in this state with the aforementioned military or memorial license plates.
- Based on the air travel frequency data, it is assumed that 41 percent of such individuals do not fly; therefore, approximately 1,833 individuals will utilize this exemption[3,106 – (3,106 x 41%)].
- Based on the 2019 Washington-Baltimore Regional Air Passenger Survey, approximately 51 percent of passengers traveled to the airport by a personal or rental automobile.
- Rental cars would not use parking lots at an airport facility, but rather, be returned to a car rental business prior to a passenger's flight.
- For purposes of this fiscal note, it is assumed that approximately 40 percent of the 1,833 individuals, or 733 individuals will utilize this exemption (1,833 x 40%).
- It is assumed that such individuals, on average, take 4 flights per year.
- It is assumed that the average number of days such individuals would park at the airport is 2 days.
- Daily rates for parking vary by airport.

- Fiscal Review Committee staff reached out to the Tennessee Aviation Association and was provided with information from the state's 5 largest commercial airports – BNA (Nashville), MEM (Memphis), TYS (Knoxville), CHA (Chattanooga), and TRI (Blountville).
- Parking rates by airport:
 - Nashville: \$36
 - Memphis: \$24
 - Knoxville: \$20
 - Chattanooga: \$20
 - Blountville: \$14
- It is assumed that the number of exemptions at each airport will correlate with the population of each city.
- Based on the 2020 Federal Census, the population of each city (metropolitan area in total) and percentage of total:
 - Nashville: 1,989,519 (35.73%)
 - Memphis: 1,340,000 (24.07%)
 - Knoxville: 1,156,861 (20.78%)
 - Chattanooga: 566,153 (10.17%)
 - Blountville: 514,899 (9.25%)
 - Total: 5,567,432
- Number of exemptions and decrease in local revenue:
 - Nashville: \$75,427 (733 x 35.73% x 4 trips x 2 days x \$36)
 - Memphis: \$33,875 (733 x 24.07% x 4 trips x 2 days x \$24)
 - Knoxville: \$24,371 (733 x 20.78% x 4 trips x 2 days x \$20)
 - Chattanooga: \$11,927 (733 x 10.17% x 4 trips x 2 days x \$20)
 - Blountville: \$7,594 (733 x 9.25% x 4 trips x 2 days x \$14)
 - Total decrease in local revenue: \$153,194
- This legislation will result in a recurring decrease in local revenue of \$153,194, beginning in FY22-23
- Based on information from the aforementioned airports, each airport would need 4 additional employees, or 20 total additional employees statewide (4 employees x 5 airports) to verify eligibility for parking exemptions.
- Based on information provided by such airports, recurring costs for such personnel, including salary and benefits, would total \$873,600.
- A mandatory recurring increase in local expenditures of \$873,600, beginning in FY22-23.
- It is assumed that this legislation will have no significant impact on total issuance of any affected license plates.
- Based on information provide by the Department of General Services, the state does not own any parking lots at airports for which it charges parking fees; therefore, this legislation is estimated to result in no significant decrease in state revenue from loss in parking fees.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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